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INTERSTATE COMMERCE COMMISSION

Conditional Sale Agreement

Dated as of June 1, 1975,

AMONG

GENERAL AMERICAN TRANSPORTATION CORPORATION,

UNITED STATES TRUST COMPANY OF NEW YORK,

as Trustee,

AND

HERCULES INCORPORATED

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of June 1, 1975, among GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (hereinafter called the Vendor or Builder as more particularly set forth in Article 1 hereof), UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation, not individually but solely in its capacity as Trustee (hereinafter, together with its successors and assigns, being called the Owner-Trustee) under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with General Electric Credit Corporation, a New York corporation (hereinafter called the Owner) and HERCULES INCORPORATED, a Delaware corporation (hereinafter called the Lessee).

WHEREAS the Builder agrees to construct, sell and deliver to the Owner-Trustee, and the Owner-Trustee agrees to purchase, in accordance with the terms and provisions hereof, the railroad equipment described in Annex B hereto to the extent not excluded herefrom under the provisions hereof (hereinafter called the Equipment); and

WHEREAS the Owner-Trustee is entering into a lease dated as of the date hereof with the Lessee in substantially the form annexed hereto as Annex C (hereinafter called the Lease);

WHEREAS the Lessee has joined in this Agreement for the purpose of making certain agreements as hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. *Assignment; Definitions.* The parties hereto contemplate that the Owner-Trustee will furnish that portion of the Purchase Price (as defined in Article 4 hereof) of the Equipment as is required under subparagraph (a) of the third paragraph of Article 4 hereof and that an amount equal to the balance of the Purchase Price shall be paid to the Builder by American United Life Insurance Company, as the assignee of the Builder's right, title and interest under this Agreement pursuant to an Agreement and Assignment between the Builder and American United Life Insurance Company (said Agreement and Assignment being hereinafter called the Assignment and said insurance company being hereinafter sometimes called the Assignee).

In case of such assignment, the Owner-Trustee will assign to the Vendor, as security for the payment and performance of all the Owner-Trustee's obligations hereunder, all right, title and interest of the Owner-Trustee in and to the Lease, pursuant to an Assignment of Lease and Agreement in substantially the form of Annex D hereto (hereinafter called the Lease Assignment) and the Lessee will enter into a Lessee's Consent and Agreement (hereinafter called the Consent) in the form attached to the Lease Assignment.

The term "Builder," whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, the party hereto which has manufactured the Equipment and any successor or successors for the time being to its manufacturing properties and business. The term "Vendor", whenever used in this Agreement, means, before any such assignment, the Builder and, after any such assignment, both the Assignee and its successors and assigns, as assignee of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment.

ARTICLE 2. *Construction and Sale.* Pursuant to this Agreement, the Builder shall construct the Equipment at its plant set forth in Annex B hereto, and will sell and deliver to the Owner-Trustee, and the Owner-Trustee will, as hereinafter provided, purchase from the Builder and accept delivery of and pay for the Equipment, each unit of which shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, the Owner-Trustee and the Lessee (which specifications and modifications, if any, are hereinafter called the Specifications). The design, quality and component parts of each unit of the Equipment shall conform, and as a condition of acceptance of each such Unit by the Owner-Trustee, the Builder shall certify that such design, quality and component parts conform, on the date of completion of manufacture thereof, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, and the Builder shall certify that each such unit is new railroad equipment and has not been previously placed in service.

ARTICLE 3. *Inspection and Delivery.* The Builder will deliver to the Owner-Trustee on each Closing Date (as defined in Article 4 hereof) concurrently with the settlement therefore the units of the Equipment for which settlement is being made on such date at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to time by the Owner-Trustee), freight and storage charges, if any, prepaid; *provided, however*, that delivery of any unit of the Equipment shall not be made until all the conditions set forth in Paragraph 5 of the Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) among the Lessee, the Owner and the Owner-Trustee have been satisfied (any of such conditions, however, may be waived by the Owner-Trustee, and payment by the Owner-Trustee of the amount specified in subparagraph (a) of the third paragraph of Article 4 hereof with respect to the Group (as defined in Article 4 hereof) including such unit shall be conclusive evidence that such conditions have been fulfilled or irrevocably waived); *provided further*, that the Builder shall have no obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) or (d) of Article 15 hereof or the occurrence of any event of default (as described in Article 15 hereof), or event which, with the lapse of time and/or demand, could constitute such an event of default.

The Builder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Builder's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

Any Equipment not delivered, accepted and settled for on or prior to December 31, 1975, shall be excluded herefrom and the Owner-Trustee shall be relieved of its obligation to purchase and pay for such Equipment. If any Equipment shall be excluded herefrom pursuant to the immediately preceding sentence, the Builder, the Lessee and the Owner-Trustee shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom.

During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Owner-Trustee (who may

be employees or agents of the Lessee) and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect all materials used in the construction of the Equipment in accordance with the standard quality control practices of the Builder. Upon completion of each unit or of a number of units of the Equipment, such unit or units shall be presented to an inspector of the Owner-Trustee for inspection at a place or places to be agreed upon by the Builder and such inspector, and if each such unit conforms to the Specifications, requirements and standards applicable thereto, such inspector or an authorized representative of the Owner-Trustee (who may be an employee or agent of the Lessee) shall execute and deliver to the Builder a certificate of acceptance (hereinafter called the Certificate of Acceptance) stating that such unit or units have been inspected and accepted on behalf of the Owner-Trustee and are marked in accordance with Article 9 hereof; *provided, however*, that the Certificate of Acceptance of such unit or units shall not be delivered to the Builder prior to the time of delivery of such unit or units specified in the first paragraph of this Article 3; *provided further*, that the Builder shall not thereby be relieved of its warranty referred to in Article 13 hereof. By §2 of the Lease, the Owner-Trustee is appointing the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee (or its employees or agents, as aforesaid) shall be deemed to be acceptance of such unit by the Owner-Trustee.

On delivery of each such unit hereunder at the place specified for delivery and due execution and delivery of a Certificate of Acceptance in respect thereof, the Builder shall have no further responsibility for, nor bear any risk of, any damage to or the destruction or loss of such unit; *provided, however*, that the Builder shall not thereby be relieved of its warranty referred to in Article 13 hereof.

ARTICLE 4. *Purchase Price and Payment.* The base price or prices per unit of the Equipment are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as is agreed to by the Builder and the Lessee. The term "Purchase Price" as used herein shall mean the base price or prices as so increased or decreased. The Purchase Price of each unit of Equipment shall in any event include any reasonable fees charged by the Builder for storage of such unit before its delivery as provided in Article 3 hereof and for such delivery. If on any Closing Date (as hereinafter defined in this Article)

the aggregate Purchase Price of Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Annex A hereto (or such higher amount to which the Owner-Trustee, the Lessee and the Assignee may at their option agree), the parties hereto (and any assignee of the Builder) shall enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Owner-Trustee, as will, after giving effect to such exclusion, reduce such aggregate Purchase Price under this Agreement to not more than the Maximum Purchase Price specified in Annex A hereto (or such higher amount as aforesaid), and the Lessee and the Owner-Trustee shall have no further obligation or liability in respect of units so excluded.

The Equipment shall be settled for in not more than two groups of units of Equipment, each group being settled for at the time the units in such group are delivered to and accepted by the Owner-Trustee. The term "Closing Date" with respect to each such group shall mean the dates set forth in Item 2 of Annex A hereto or such other dates specified by the Lessee upon reasonable written notice (such notice specifying the aggregate Purchase Price of such group) with the concurrence of the Owner-Trustee, the Assignee and the Builder, but in no event shall such dates be later than December 31, 1975. The term "Group", as used herein, shall mean the group of units of Equipment being delivered, accepted and settled for on any Closing Date, which units had not theretofore been delivered, accepted and settled for. The place of each closing shall be determined by mutual agreement among the parties hereto and the Assignee.

Subject to the terms and conditions of this Agreement, the Owner-Trustee hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in immediately available funds to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) on the Closing Date with respect to each Group an amount equal to 50% of the aggregate Purchase Price of the units of Equipment in such Group; and

(b) in 80 quarterly instalments, as hereinafter provided, an amount equal to the aggregate Purchase Price of the units of Equipment for which settlement is then being made less the aggregate

amount paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph, plus interest on the unpaid balance thereof payable as hereinafter provided.

The portion of the Purchase Price payable pursuant to subparagraph (b) of the preceding paragraph (herein called the Conditional Sale Indebtedness) shall be payable on each quarterly anniversary date of the second Closing Date, commencing on the first such quarterly anniversary date, to and including the eightieth such quarterly anniversary date (or if any such date is not a business day, on the next succeeding business day), each such date being hereinafter called a Payment Date. The unpaid balance of the Conditional Sale Indebtedness shall bear interest from the Closing Date in respect of which such indebtedness was incurred at the rate of $9\frac{3}{4}\%$ per annum. Such interest on the unpaid balance of the Conditional Sale Indebtedness shall be payable, to the extent accrued, on the second Closing Date, and on each Payment Date thereafter. The instalments of Conditional Sale Indebtedness payable on each Payment Date shall be calculated so that the aggregate of Conditional Sale Indebtedness and interest payable on each Payment Date shall be substantially equal and such instalments of Conditional Sale Indebtedness shall completely amortize the Conditional Sale Indebtedness.

All interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York, are authorized or obligated to remain closed.

The Owner-Trustee will pay interest, to the extent legally enforceable, at the rate of $10\frac{3}{4}\%$ per annum upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Article 7 hereof, the Owner-Trustee shall not have the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due.

The obligation of the Owner-Trustee to pay to the Vendor any amount required to be paid pursuant to this Article 4 with respect to any Group is specifically subject to the fulfillment, on or before the Closing Date in respect of such Group, of the conditions set forth in Paragraph 5 of the Participation Agreement (any of which may be waived by the Owner-Trustee, and payment by the Owner-Trustee of the amount specified in subparagraph (a) of the third paragraph of this Article with respect to such Group shall be conclusive evidence that such conditions have been fulfilled or irrevocably waived).

Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 15 and 16 hereof), it is understood and agreed by the Vendor that the liability of the Owner-Trustee for all payments to be made by it under and pursuant to this Agreement, with the exceptions only of the payments to be made pursuant to subparagraph (a) of the third paragraph of this Article, shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment", and such payments shall be made by the Owner-Trustee only to the extent that the Owner-Trustee or any assignee of the Owner-Trustee shall have actually received sufficient "income or proceeds from the Equipment" to make such payments. Except as provided in the next preceding sentence, the Vendor agrees that the Owner-Trustee shall have no personal liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Owner-Trustee or any assignee of the Owner-Trustee. In addition, the Vendor agrees that the Owner-Trustee

(i) makes no representation or warranty, and is not responsible for, the due execution, validity, sufficiency or enforceability of the Lease insofar as it relates to the Lessee (or any document relative thereto) or of any of the Lessee's obligations thereunder or under this Agreement, insofar as it relates to the Lessee (or any document relative thereto), and

(ii) shall not be responsible for the performance or observance by the Lessee of any of its agreements, representations, indemnities, obligations or other undertakings under the Lease; it being understood that as to all such matters the Vendor will look solely to the Vendor's rights under this Agreement against the Lessee and the Equipment and to the Vendor's rights under the Lease and the Lease Assignment against the Lessee and the Equipment.

As used herein the term "income and proceeds from the Equipment" shall mean

(i) if one of the events of default specified in Article 15 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Owner-Trustee or any assignee of the Owner-Trustee at any time after any such event and during the continuance thereof:

(a) all amounts of rental and amounts in respect of Casualty Occurrences (as defined in Article 7 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under §10 or any other provision of the Lease, and

(b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition, and

(ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) (not including amounts paid by the Lessee to the Owner-Trustee as reimbursement of sums paid by the Owner-Trustee on account of prior defaults under paragraph (a) of Article 15) as are indefeasibly received by the Owner-Trustee or any assignee of the Owner-Trustee and as shall equal the portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences or voluntary termination pursuant to §19 of the Lease) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner-Trustee or any assignee of the Owner-Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences or voluntary termination pursuant to §19 of the Lease) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Owner-Trustee or any assignee of the Owner-Trustee were required to be paid to it pursuant to the Lease or which exceeded any other payments

due and payable under this Agreement at the time such amounts were payable under the Lease. Nothing contained herein limiting the liability of the Owner-Trustee shall derogate from the right of the Vendor to proceed against the Equipment or the Lessee as provided for herein for the full unpaid Conditional Sale Indebtedness of the Equipment and interest thereon and all other payments and obligations hereunder. Notwithstanding anything to the contrary contained in Article 15 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Owner-Trustee for an amount in excess of the amounts payable by the Owner-Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this paragraph.

ARTICLE 5. *Security Interest in the Equipment.* The Vendor shall and hereby does retain a security interest in and to the Equipment until the Owner-Trustee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Owner-Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Owner-Trustee and the Lessee as provided in this Agreement. Such retention of security interest is solely to secure performance of the Owner-Trustee of its obligations under this Agreement (without regard to any provision of this Agreement limiting the liability of the Owner-Trustee), and beneficial ownership of the Equipment shall be and remain in the Owner-Trustee subject to such performance. Any parts installed on and additions and replacements made to any unit of the Equipment (not including, however, any parts installed on and additions and replacements made to any unit of the Equipment any part of whose cost is furnished by the Lessee and which are readily removable without causing material damage to the Equipment, but including parts installed on and replacements made to any unit of the Equipment which constitute ordinary maintenance and repairs made by the Lessee pursuant to the third paragraph of §9 of the Lease) shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement. The Lessee will have the right at any time to remove

at its own expense any parts installed on or additions or replacements made to any unit of the Equipment which are owned by the Lessee, provided that the Lessee immediately after such removal repairs or causes the repair of any damage to any such unit caused by such removal.

Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full Conditional Sale Indebtedness of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, and all the Owner-Trustee's obligations herein contained shall have been performed, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Owner-Trustee, *ipso facto* without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Owner-Trustee at that time, will (a) execute a bill or bills of sale for the Equipment releasing its security interest therein and transferring its title thereto and property therein to the Owner-Trustee, or upon its order, free of all liens, security interests and other encumbrances created or retained hereby or otherwise created by the Vendor and deliver such bill or bills of sale to the Owner-Trustee at its address referred to in Article 20 hereof and (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, termination statements or other such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Owner-Trustee to the Equipment. In addition, at that time, the Vendor will pay to the Owner-Trustee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided. The Owner-Trustee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Owner-Trustee.

ARTICLE 6. *Taxes.* Whether or not any of the transactions contemplated hereby are consummated, the Owner-Trustee agrees to pay, and

to indemnify and hold the Vendor harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner-Trustee, the Owner, the Vendor, the Lessee, the trust estate created by the Trust Agreement or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any unit of the Equipment or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; or this Agreement, the Assignment, the Lease, the Lease Assignment, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the Equipment (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); *excluding, however:* (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its world-wide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Owner-Trustee has not agreed to pay or indemnify against pursuant to this Article 6.

If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Owner-Trustee. If reasonably requested by the Owner-Trustee in writing, the Vendor shall, upon receipt of any indemnity satisfactory to it

for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Owner-Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Owner-Trustee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Vendor; provided that no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor, as the case may be. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Owner-Trustee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Owner-Trustee the amount of such refund or interest net of expenses; *provided, however*, that no event of default set forth in Article 15 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Owner-Trustee under this Article 6 or arising out of this Article 6, the Owner-Trustee shall either make such report or return in such manner as will show the interests of the Vendor in the Units or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Owner-Trustee.

All of the obligations of the Owner-Trustee under this Article 6 shall survive and continue, notwithstanding payment in full of all amounts due under this Agreement. Payments due from the Owner-Trustee to the Vendor under this Article 6 shall be made directly to the party indemnified.

The obligations of the Owner-Trustee under this Article 6 are subject to the limitations contained in the last paragraph of Article 4 hereof and in Article 21 hereof.

ARTICLE 7. *Maintenance; Casualty Occurrences; Voluntary Termination; Insurance.* Subject to the limitations contained in Article 21 hereof, the Owner-Trustee agrees that, at its own cost and expense, it will maintain and keep each unit of the Equipment in good order and repair.

In the event that any unit of the Equipment shall be worn out, lost, stolen, destroyed, irreparably damaged or permanently rendered unfit for use, from any cause whatsoever, or seized, confiscated, taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except by requisition for use by the United States Government or except by sublease pursuant to §12 of the Lease (such occurrences except such requisition for use by the United States Government and except such sublease being herein called Casualty Occurrences), the Owner-Trustee shall, promptly after it shall have received notice from the Lessee or otherwise been informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the next succeeding Payment Date (hereinafter called a Casualty Payment Date), the Owner-Trustee shall, subject to the limitations contained in the last paragraph of Article 4 hereof, pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined in this Article 7) of such unit suffering a Casualty Occurrence as of the date of such payment and shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this paragraph shall be applied to prepay without penalty or premium, ratably in accordance with the unpaid balance of each installment, the Conditional Sale Indebtedness, and the Owner-Trustee will promptly furnish to the Vendor and the Lessee a revised schedule of payments of Conditional Sale Indebtedness and interest thereafter to be made, calculated as provided in the fourth paragraph of Article 4 hereof. In the event of the requisition for use by the United States Government of any unit of Equipment, all of the Owner-Trustee's obligations hereunder with respect to such unit shall continue to the same extent as if such requisition had not occurred.

In the event that the Lessee shall elect, in accordance with §19 of the Lease, to terminate the Lease, then on the Termination Date (as defined in §19 of the Lease) the Owner-Trustee shall, subject to the limitations

contained in the last paragraph of Article 4 hereof, pay to the Vendor a sum equal to the Termination Value (as hereinafter defined in this Article 7) of the Equipment and shall file, or cause to be filed with the Vendor, a certificate setting forth the Termination Value of the Equipment. Any money paid to the Vendor pursuant to this paragraph shall be applied to prepay, together with the applicable premium set forth below in the definition of Termination Value, ratably in accordance with the unpaid balance of each installment, the Conditional Sale Indebtedness.

Upon payment by the Owner-Trustee to the Vendor of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence or of the Termination Value of the Equipment, absolute right to the possession of, title to and property in such unit or the Equipment, as the case may be, shall pass to and vest in the Owner-Trustee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Owner-Trustee, will execute and deliver to the Owner-Trustee, at the expense of the Owner-Trustee, an appropriate instrument confirming such passage to the Owner-Trustee of all the Vendor's right, title and interest in such unit or the Equipment, as the case may be, free of all liens, security interests and other encumbrances created or retained hereby or otherwise created by the Vendor, in recordable form, in order that the Owner-Trustee may make clear upon the public record the title of the Owner-Trustee to such unit or the Equipment, as the case may be.

The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Purchase Price thereof remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article), plus interest accrued thereon but unpaid as of such date. For the purpose of this paragraph, each payment of the Purchase Price in respect of Equipment made pursuant to Article 4 hereof shall be deemed to be a payment on each unit of the Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of the Equipment.

The Termination Value of the Equipment shall be deemed to be that portion of the original Purchase Price thereof remaining unpaid on

the Termination Date, plus interest accrued thereon but unpaid as of such date, plus a premium equal to the percentage of the portion of the original Purchase Price of the Equipment remaining unpaid on such date set forth opposite the number which corresponds to such date in the following schedule:

Quarterly Anniversary Dates of the Second Closing Date	Premium (Expressed as Percentage of Portion of Original Purchase Price of Equipment being paid on Termination Date)
Fortieth Quarterly Anniversary Date	4.875%
41	4.750
42	4.625
43	4.500
44	4.375
45	4.250
46	4.125
47	4.860
48	3.875
49	3.750
50	3.625
51	3.500
52	3.375
53	3.250
54	3.125
55	3.000
56	2.875
57	2.750
58	2.625
59	2.500
60	2.375
61	2.250
62	2.125
63	2.000
64	1.875
65	1.750
66	1.625
67	1.500
68	1.375
69	1.250
70	1.125
71	1.000

<u>Quarterly Anniversary Dates of the Second Closing Date</u>	<u>Premium (Expressed as Percentage of Portion of Original Purchase Price of Equipment being paid on Termination Date)</u>
72	0.875%
73	0.750
74	0.625
75	0.500
76	0.375
77	0.250
78	0.125
79	0.000

Any insurance proceeds or condemnation payments received by the Vendor in respect of units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Owner-Trustee to the Vendor in respect of Casualty Occurrences pursuant to the second paragraph of this Article. If the Vendor shall receive any insurance proceeds or condemnation payments in respect of such units suffering a Casualty Occurrence either after the Owner-Trustee shall have made payments pursuant to this Article without deduction for such insurance proceeds or condemnation payments, or in excess of the Casualty Value (after taking into account payments by the Owner-Trustee under this Article 7), the Vendor shall promptly pay such insurance proceeds or condemnation payments to the Owner-Trustee. All insurance proceeds or condemnation payments received by the Vendor in respect of any unit or units of Equipment not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired or that such proceeds will be promptly employed by the Lessee to fully repair such damage.

ARTICLE 8. *Reports and Inspections.* On or before April 1 in each year, commencing with the year 1976, the Owner-Trustee shall, subject to the provisions of Article 21 hereof, cause to be furnished to the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all units of the Equipment then subject to this Agreement, the amount, description and numbers of all units of the Equipment that have suffered a Casualty Occurrence or to the knowledge of the Owner-Trustee are then under-

going repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year (or since the date of this Agreement in the case of the first such statement) and such other information regarding the condition and state of repair of the Equipment as the Vendor may reasonably request and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, the numbers and markings required by Article 9 hereof have been preserved or replaced. The Vendor shall have the right, by its agents, to inspect the Equipment and the Owner-Trustee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 9. *Marking of Equipment.* The Owner-Trustee will cause each unit of the Equipment to be kept numbered with the identifying number of the Lessee as set forth in Annex B hereto, or, in the case of Equipment not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed under the Interstate Commerce Act, Section 20c", with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's interest in the Equipment and its rights under this Agreement. The Owner-Trustee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such markings shall have been made thereon and will replace or will cause to be replaced promptly any such markings which may be removed, defaced or destroyed. The Owner-Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by the Owner-Trustee in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Owner-Trustee will not allow the name of any person, association or

corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; *provided, however*, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

The obligations of the Owner-Trustee under this Article are subject to the limitations contained in Article 21 hereof.

ARTICLE 10. *Compliance with Laws and Rules.* During the term of this Agreement, the Owner-Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessees' or users' operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of the Equipment, the Owner-Trustee will, or will cause the Lessee to, conform therewith at no expense to the Vendor; *provided, however*, that the Lessee shall not furnish any part of the cost of any alteration, replacement or addition of or to any part on any unit of the Equipment except for alterations, replacements or additions that are owned by the Lessee and are readily removable without causing material damage to the Equipment and except for alterations or replacements which constitute ordinary maintenance and repairs made by the Lessee pursuant to the third paragraph of §9 of the Lease; *provided further*, that the Owner-Trustee or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

The obligations of the Owner-Trustee under this Article are subject to the limitations contained in Article 21 hereof.

ARTICLE 11. *Possession and Use.* The Owner-Trustee, so long as an event of default shall not have occurred and be continuing under this Agreement, shall be entitled, from and after delivery of the Equipment by the Builder to the Owner-Trustee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The Owner-Trustee may lease the Equipment to the Lessee as permitted by, and for use as provided in, the Lease, and it is hereby acknowledged and agreed that the rights of the Vendor under this Agreement are subject to the rights and interests of the Lessee under the Lease. The Lease shall not be amended or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 12. *Prohibition Against Liens.* The Owner-Trustee will pay or discharge any and all sums claimed by any party from, through or under the Owner-Trustee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

The obligations of the Owner-Trustee under this Article 12 are subject to the limitations contained in Article 21 hereof; *provided, however*, that the Owner-Trustee will pay or discharge any and all claims, liens,

charges or security interests claimed by any party from, through or under the Owner-Trustee or its successors or assigns, not arising out of the transactions contemplated hereby, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement.

ARTICLE 13. *Indemnities and Warranties.* The Owner-Trustee shall pay, and shall protect, indemnify and hold the Vendor and any assignee hereof, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising, or alleged to arise out of this Agreement or the Equipment, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, non-delivery, lease, possession, use, operation, condition, sale, return or other disposition of any unit of Equipment or portion thereof, (ii) any latent and other defects whether or not discoverable by the Owner-Trustee or the Vendor, (iii) any claim for patent, trademark or copyright infringement, (iv) any claims based on strict liability in tort, (v) any injury to or the death of any person or any damage to or loss of property on or near the Equipment or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Equipment or of any other equipment in connection with the Equipment (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof, (vi) any violation, or alleged violation, of any provision of this Agreement or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Equipment or the leasing, ownership, use, replacement,

adaptation or maintenance thereof, or (vii) any claim arising out of the Vendor's retention of security interest under this Agreement or the Lease Assignment; except that the Owner-Trustee shall not be liable to the Builder in respect of any of the foregoing matters to the extent liability in respect thereof arises from an act or omission of the Builder or is covered by the Builder's patent indemnification referred to in the last paragraph of this Article 13. The Owner-Trustee shall be obligated under this Article 13, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Owner-Trustee under this Article 13 without first resorting to any such other rights of indemnification, *provided, however*, that with respect to any matter against which such Indemnified Person has received indemnification payments from any person other than the Owner-Trustee, the Owner-Trustee shall be obligated under this Article 13 to indemnify such Indemnified Person only to the extent, if any, that such indemnification payments do not fully indemnify such Indemnified Person against such matter. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Owner-Trustee may and, upon such Indemnified Person's request will, at the Owner-Trustee's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Owner-Trustee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Owner-Trustee to do so, the Owner-Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Owner-Trustee is required to make any payment under this Article 13, the Owner-Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person, as the case may be, in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal

to the amount of such payment. The Vendor and the Owner-Trustee each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Article 13 by the Owner-Trustee, and provided that no event of default set forth in Article 15 hereof (or other event which with lapse of time or notice or both would constitute such an event of default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given, including any right of such Indemnified Person to indemnification from any person other than the Owner-Trustee. Any payments received by such Indemnified Person from any person as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to the Lease shall be paid over to the Owner-Trustee to the extent necessary to reimburse the Owner-Trustee for indemnification payments previously made in respect of such matter.

The indemnities contained in this Article 13 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this Article 13 shall be deemed to create any rights of subrogation in any insurer or third party against the Owner-Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Owner-Trustee will bear the responsibility for and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

The obligations of the Owner-Trustee pursuant to this Article 13 are subject to the provisions of Article 21 hereof.

The agreement of the parties relating to the Builder's warranty of material and workmanship and the agreement of the parties relating to patent indemnification are set forth in Items 3 and 4 of Annex A hereto.

ARTICLE 14. *Assignments.* Except as provided in the Trust Agreement, the Owner-Trustee will not (a) except as provided in Article 11 hereof, transfer the right to possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement unless such sale, assignment, transfer or disposition (i) is made expressly subject in all respects to the rights and remedies of the Vendor hereunder and to the rights and remedies of the Lessee under the Lease (including, without limitation, rights and remedies against the Owner-Trustee) and (ii) provides that the Owner-Trustee shall remain liable for all the obligations of the Owner-Trustee under this Agreement. Subject to the preceding sentence, any such sale, assignment, transfer or disposition may be made by the Owner-Trustee without the purchaser, assignee or transferee assuming any of the obligations of the Owner-Trustee hereunder.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Owner-Trustee and the benefits arising from the undertakings of the Lessee hereunder, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time, *provided, however*, that no such assignment or reassignment shall violate the Securities Act of 1933, any successor statute thereto as may be hereafter enacted or any applicable Blue Sky or state securities laws. No such assignment shall subject any assignee to, or relieve the Builder from, any of the obligations of the Builder to construct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities contained or referred to in Article 13 hereof, or relieve the Owner-Trustee of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 13 hereof, Annex A hereto and this Article 14, or any other obligation which, according to its terms and context, is intended to survive an assignment.

Upon any such assignment by the Vendor, either the assignor or the assignee shall give written notice to the Owner-Trustee and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt

by the Owner-Trustee and the Lessee, respectively, of the notification of any such assignment, all payments thereafter to be made by the Owner-Trustee or the Lessee under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

The Owner-Trustee and the Lessee recognize that it is the custom of railroad equipment manufacturers or sellers to assign agreements of this character and understand that the assignment of this Agreement, or of some of or all the rights of the Vendor hereunder, is contemplated. The Owner-Trustee and the Lessee severally represent, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that in the event of such assignment by the Vendor as hereinbefore provided in this Article 14, the rights of such assignee to the entire unpaid Conditional Sale Indebtedness or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment, by the Owner-Trustee or the Lessee, as the case may be, whatsoever arising out of any breach of any obligation of the Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Owner-Trustee or the Lessee, as the case may be, by the Builder. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Owner-Trustee or the Lessee, as the case may be, against and only against the Builder.

If the Builder shall not receive on any Closing Date the aggregate Purchase Price in respect of all of the Equipment proposed to be settled for on such Closing Date, the Builder will promptly notify the Owner-Trustee and the Lessee of such event and, if such amount shall not have been previously paid, the parties hereto will, upon the request of the Builder, enter into an appropriate written agreement with the Builder excluding from this Agreement those units of Equipment whose aggregate Purchase Price shall not have been received.

ARTICLE 15. *Defaults.* In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) the Owner-Trustee (irrespective of the provisions of Article 4 or 21 hereof or any other provision of this Agreement limiting the liability of the Owner-Trustee) shall fail to pay or cause to be paid in full any sum payable by the Owner-Trustee pursuant to the provisions of Articles 4 and 7 hereof when payment thereof shall be due hereunder and such default shall continue for five business days after the date such payment is due and payable; or

(b) the Owner-Trustee or the Lessee (irrespective of the provisions of Article 4 or 21 hereof or any other provision of this Agreement limiting the liability of the Owner-Trustee) shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement, the Lease Assignment or the Consent, or any covenant, agreement, term or provision of the Participation Agreement made expressly for the benefit of the Vendor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance *provided, however*, that if the Owner-Trustee or the Lessee, on its own behalf or on behalf of the Owner-Trustee, diligently undertakes to so comply as soon as practicable after the aforementioned written demand from the Vendor, then no event of default shall occur after such 30 days so long as such diligent undertaking continues during a period no longer than 90 days after such written demand; or

(c) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Lessee or the Owner-Trustee bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Lessee or the Owner-Trustee under the Federal Bankruptcy Act or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Lessee or the Owner-Trustee or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(d) the institution by the Lessee or the Owner-Trustee of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Act or any other applicable Federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator,

assignee, trustee, sequestrator (or other similar official) of the Lessee or the Owner-Trustee or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Lessee or the Owner-Trustee in furtherance of any such action; or

(e) any representation of the Lessee made in the Participation Agreement or in the documents furnished pursuant thereto for the express benefit of the Vendor which shall have proven to have been false in any material respect on the date as of which made shall remain false in such material respect 30 days after the Vendor shall have notified the Lessee in writing of such representation and of the material respect in which it proved false; or

(f) an Event of Default shall have occurred and be continuing under the Lease;

then at any time after the occurrence of such an event of default the Vendor may, upon five days' written notice to the Owner-Trustee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, declare (hereinafter called a Declaration of Default) the entire unpaid Conditional Sale Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. Upon a Declaration of Default, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Owner-Trustee (subject to the provisions of the last paragraph of Article 4 hereof and of Article 21 hereof) wherever situated. The Owner-Trustee or the Lessee, as the case may be, shall promptly notify the Vendor of any event which has come to its attention which constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

Anything in this Agreement to the contrary notwithstanding, in the case of any event of default occurring due to an Event of Default under

the Lease which can be cured by the payment of money, the Vendor shall not, without the prior written consent of the Owner, exercise any remedy or remedies provided herein or in the Lease in respect of such event of default during a 10-day period next following the giving of written notice to the Owner-Trustee and the Owner by the Vendor of such default. During such 10-day period the Owner or the Owner-Trustee shall have the right to cure such Event of Default on behalf of the Lessee; provided that, in the case of an Event of Default arising out of a failure of the Lessee to pay rental payments under §3 of the Lease, such right to cure shall be limited to not more than any two consecutive rental payments. No party exercising any right to cure a default pursuant to this paragraph shall obtain any lien, charge or encumbrance of any kind on any of the Equipment or any rentals or other amounts payable therefor under the Lease in respect of any sums paid in connection with the exercise of such right or the curing of such default, nor shall any claims of such party against the Lessee or the repayment of such sums so advanced impair the prior right of the Vendor to the sums payable by the Lessee under the Lease. The rights provided in this paragraph shall be in addition to, and shall not be construed to limit, the rights of the Owner-Trustee set forth in the fourth paragraph of Article 16 hereof.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default by notice to the Owner-Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 16. *Remedies.* At any time during the continuance of a Declaration of Default, the Vendor may, in compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Owner-Trustee any sums

theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 16 expressly provided, and may remove the same from possession and use of the Owner-Trustee or any other person (but subject to the rights and interests of the Lessee under the Lease) and for such purpose may enter upon the premises of the Lessee or any other premises where the Equipment may be located without judicial process if this can be done without breach of the peace, and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Owner-Trustee or the Lessee.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable location in the United States, including the District of Columbia but excluding Alaska, Hawaii and all United States territories and possessions, for the delivery of the Equipment to the Vendor, the Owner-Trustee shall, subject to the provisions of Article 21 hereof, at its own expense and risk, forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any of the Equipment to return the Equipment) cause (a) the Equipment to be moved to and assembled at such location as shall be designated by the Vendor and shall there deliver the Equipment or cause it to be delivered to the Vendor and (b) the Equipment to be moved to such interchange point or points in the United States, including the District of Columbia but excluding Alaska, Hawaii and all United States territories and possessions, as shall be designated by the Vendor upon any sale, lease or other disposal of all or any part of the Equipment by the Vendor. The Lessee shall at its own cost, expense and risk furnish and arrange for the Vendor to store the Equipment at the location designated in clause (a) above on any lines of the Lessee or of a nationally recognized and reputable storer of railroad equipment approved by the Vendor, stored in accordance with railroad industry standards for like or similar equipment, until the Equipment has been sold, leased or otherwise disposed of by the Vendor. Until the Equipment has been sold, leased or otherwise disposed of by the Vendor during any storage period, the Lessee shall permit inspection of the Equipment by the Vendor, the Vendor's representatives and prospec-

tive purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree requiring specific performance hereof. The Owner-Trustee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 16 provided) may, at its election and upon such notice as is hereinafter set forth, but subject to the rights and interests of the Lessee under the Lease, retain the Equipment in satisfaction of the entire Conditional Sale Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Owner-Trustee and the Lessee by telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Owner-Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Owner-Trustee and the Lessee pursuant to the Lease Assignment may be retained by the Vendor as compensation for the use of the Equipment; *provided, however*, that if the Owner-Trustee before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Owner-Trustee; *provided further*, that if the Owner-Trustee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment; but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as

hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Owner-Trustee, the Lessee and any other persons to whom the law may require notice of the time and place, may, subject to the rights and interests of the Lessee under the Lease, sell the Equipment, or one or more of the units thereof, free from any and all claims of the Owner-Trustee or any other party claiming from, through or under the Owner-Trustee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; *provided, however*, that if, prior to such sale and prior to the making of a contract for such sale, the Owner-Trustee should tender full payment of the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Owner-Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited to the amount due to the Vendor under the provisions of this Agreement and the balance, if any, shall be paid to the Owner-Trustee.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in

a commercially reasonable manner. The Vendor, the Owner-Trustee or the Lessee may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Owner-Trustee and the Lessee shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 20 hereof. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Owner-Trustee or the Lessee (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Owner-Trustee or the Lessee shall not otherwise alter or affect the Vendor's rights or the Owner-Trustee's or the Lessee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Owner-Trustee's or the Lessee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Owner-Trustee shall pay the amount of such deficiency to the Vendor upon demand, together with the interest from the date of such demand to the date of payment at the prime rate of interest charged by Morgan Guaranty Trust Com-

pany of New York, and, if the Owner-Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Owner-Trustee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Owner-Trustee to the extent of its interests therein. The Owner-Trustee will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment. The provisions of this paragraph are subject to the limitations of the liability of the Owner-Trustee contained in the last paragraph of Article 4 hereof and in Article 21 hereof.

The foregoing provisions of this Article 16 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 17. *Applicable State Laws.* Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Owner-Trustee and the Lessee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, and in the case of the Lessee, subject to the rights and interests under the Lease, the Owner-Trustee and the Lessee, to the full extent permitted by law, hereby waive all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 18. *Recording.* Subject to the provisions of Article 21 hereof, the Owner-Trustee will (a) cause this Agreement and any amendments or supplements hereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act, (b) from time to time do and perform any other act and execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement and (c) promptly furnish to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 19. *Article Headings and Table of Contents; Effect and Modification of Agreement; Amendments.* All article headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

This Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor and the Owner-Trustee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor, the Owner-Trustee and the Lessee.

ARTICLE 20. *Notice.* Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at the following specified addresses:

(a) to the Owner-Trustee, at 130 John Street, New York, New York 10038, attention of Corporate Trust and Agency Division, with copies to the Owner at P. O. Box 8300, Stamford, Connecticut 06904, attention of Manager—Operations, Leasing and Industrial Loan Financing and attention of Loan Officer—Rail,

(b) to the Builder, at the address specified in Item 1 of Annex A hereto,

(c) to the Assignee, at Post Office Box 368, Indianapolis, Indiana 46206, attention of Securities Division,

(d) to any assignee of the Vendor, or of the Owner-Trustee, at such address as may have been furnished in writing to the Owner-Trustee, or the Vendor, as the case may be, and to the Lessee, by such assignee, and

(e) to the Lessee, at 910 Market Street, Wilmington, Delaware 19899, attention of Director of Traffic Department,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 21. *Immunities; Satisfaction of Undertakings.* No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Owner-Trustee, the Lessee or the Builder (or Vendor), whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

The covenants of the Owner-Trustee under the first paragraph of Article 7, the second, fifth and seventh paragraphs of Article 16, and under Articles 6, 8, 9, 10, 12, 13 and 18 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects (except, in the case of Article 12 hereof, as set forth in the proviso of the last paragraph thereof), and be of no further force or effect insofar as they involve personal liability of the Owner-Trustee, other than out of "income and proceeds from the Equipment" (as defined in Article 4 hereof), upon the execution and delivery of the Lease (whether or not the Lease shall thereafter be amended, terminated or otherwise modified and irrespective of the genuineness, validity, regularity or enforceability of the Lease); *provided, however*, that such covenants and obligations shall be deemed covenants of the Owner-Trustee within the meaning of subparagraphs (a) and (b) of the first paragraph of Article 15 hereof (it being the intention of the parties hereto that neither the Owner-Trustee nor any of its properties shall be subject to any liability for any breach or alleged breach by it of any such covenant or obligation except out of the "income and proceeds from the Equipment", but that any such breach may be made

the basis of an event of default under said Article 15). The execution and delivery of the Lease shall be presumed conclusively to have occurred, for the purpose of this Article 21, upon the delivery to the Owner-Trustee by the Vendor of written confirmation to such effect signed by the Vendor. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Owner-Trustee (except as otherwise set forth in the proviso of the last paragraph of Article 12 hereof) are each and every one of them made and intended not as personal representations, undertakings and agreements by the Owner-Trustee, or for the purpose or with the intention of binding the Owner-Trustee personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement to the extent provided in this Agreement, and this Agreement is executed and delivered by the Owner-Trustee solely in the exercise of the powers expressly conferred upon the Owner-Trustee as trustee under the Trust Agreement; and (except as otherwise set forth in the proviso of the last paragraph of Article 12 hereof) that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Owner-Trustee or the Owner or on account of an representation, undertaking or agreement of the Owner-Trustee or the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; *provided, however*, that the Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same. Nothing contained in this paragraph shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Owner-Trustee (provided [except as otherwise set forth in the proviso of the last paragraph of Article 12 hereof] that neither the Owner-Trustee in its fiduciary or individual capacity nor the Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the

Owner-Trustee or the Owner) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Equipment or the Lessee under the Lease.

ARTICLE 22. *Representation and Warranty of Builder.* The Builder hereby represents and warrants to the Owner-Trustee, its successors and assigns, that this Agreement is duly authorized by it and lawfully executed and delivered by it for a valid consideration, and that, assuming due authorization, execution and delivery by the Owner-Trustee and the Lessee, this Agreement is, in so far as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder in accordance with its terms.

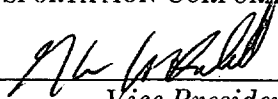
ARTICLE 23. *Law Governing.* The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York; *provided, however*, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any unit of Equipment shall be located, and any rights arising out of the marking of the Equipment.

ARTICLE 24. *Successors and Assigns.* Except as provided to the contrary in this Agreement, the terms of this Agreement shall be valid, binding and enforceable obligations of the successors and assigns of the parties hereto.

ARTICLE 25. *Execution.* This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although for convenience this Agreement is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

GENERAL AMERICAN
TRANSPORTATION CORPORATION,

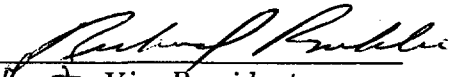
by 
Vice President

[CORPORATE SEAL]

Attest:

Assistant Secretary

UNITED STATES TRUST COMPANY OF
NEW YORK, as Trustee,

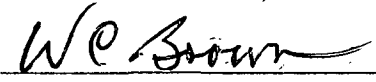
by 
Asst. Vice President

[CORPORATE SEAL]

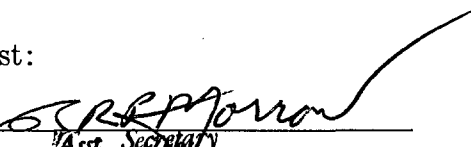
Attest:

Assistant Secretary

HERCULES INCORPORATED,

by 
PRESIDENT

[CORPORATE SEAL]

Attest:

Asst. Secretary

STATE OF ILLINOIS, }
COUNTY OF COOK, } SS.:

On this 4th day of August 1975, before me personally appeared G. W. ROTHSCHILD, to me personally known, who, being by me duly sworn, says that he is Vice President of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Rainey L. Taly
Notary Public

[NOTARIAL SEAL]

STATE OF NEW YORK, }
COUNTY OF NEW YORK, } SS.:

On this 4th day of August 1975, before me personally appeared Richard BARKLIE, to me personally known, who, being by me duly sworn, says that he is ^{President} Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Eileen P. Young
Notary Public

[NOTARIAL SEAL]

EILEEN P. YOUNG
Notary Public, State of New York
No. 41-4604136
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1976

STATE OF DELAWARE, }
COUNTY OF NEW CASTLE, } SS.:

On this 6TH day of AUGUST 1975, before me personally appeared WERNER C. BROWN, to me personally known, who, being by me duly sworn, says that he is **PRESIDENT** of HERCULES INCORPORATED, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

R. Regina C. Bludzac
Notary Public

[NOTARIAL SEAL]



Annex A to Conditional Sale Agreement

ITEM 1: 120 South Riverside Plaza, Chicago, Illinois 60607.

ITEM 2: August 7 and September 15, 1975, for units of Equipment having an aggregate Purchase Price of approximately \$1,402,891 and \$623,507, respectively.

ITEM 3: The Builder warrants that the Equipment will be built in accordance with the requirements, specifications and standards set forth in Article 2 of the Conditional Sale Agreement to which this Annex A is attached (hereinafter called this Agreement) and warrants the Equipment will be free from defects in material (except as to specialities incorporated therein which were specified or supplied by the Lessee and not manufactured by the Builder) and workmanship under normal use and service, the Builder's obligation under this Item 3 being limited to making good at its expense including parts and labor at its factory any part or parts of any unit of the Equipment which shall be returned to the Builder with transportation charges prepaid, within one year after the delivery of such unit to the Owner-Trustee, and which an examination shall disclose to have been thus defective. *Except for the obligations and liabilities of the Builder under Articles 2, 3 and 4 of the Agreement and Item 4 of this Annex A, the foregoing warranty of the Builder is expressly in lieu of all other warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, liability or lost profit or for indirect, incidental, consequential or commercial losses, and of all other obligations or liabilities, and the Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment except as aforesaid. It is further understood and agreed that in no event shall the Builder be liable for indirect or consequential damages of any kind.*

The Builder further agrees that neither the inspection as provided in Article 3 of this Agreement nor any examination nor the acceptance of any units of the Equipment as provided in said Article 3 shall be deemed a waiver or a modification by the Owner-Trustee of any of its rights under this Item 3.

ITEM 4: Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder, the Builder agrees to indemnify, protect and hold harmless the Owner-Trustee and, as third party beneficiary hereof, the Lessee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Owner-Trustee, the Lessee, its or their assigns or the users of the Equipment because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. Pursuant to the Lease, the Lessee likewise will indemnify, protect and hold harmless the Vendor from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendor because of the use in or about the construction or operation of any of the Equipment of any article or material specified by the Lessee and not manufactured by the Builder. The Builder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Lessee every claim, right and cause of action which the Builder has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by the Builder for use in or about the construction or operation of any of the Equipment on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. The Builder further agrees to execute and deliver

to the Lessee or the Owner-Trustee or the users of the Equipment all and every such further assurance as may be reasonably requested by the Lessee or the Owner-Trustee to more fully effectuate the assignment and delivery of every such claim, right and cause of action. The Builder will give notice to the Lessee of any claim known to the Builder from which liability may be charged against the Lessee hereunder and the Owner-Trustee will give notice to the Builder of any claim known to the Owner-Trustee from which liability may be charged against the Builder hereunder. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, the satisfaction and discharge of this Agreement or the termination of this Agreement in any manner.

ITEM 5: The Maximum Purchase Price referred to in Article 4 of the Conditional Sale Agreement to which this Annex A is attached is \$2,202,000.

Annex B to Conditional Sale Agreement

Type	AAR Mechanical Designation	Builder's Specifications	Builder's Plant	Quantity	Lessee's Numbers (Both Inclusive)	Unit Base Price*	Total Base Price*	Estimated Time and Place of Delivery
Insulated stainless steel tank cars, 20,000 gallon ca- pacity, top and bottom loading for use in trans- portation of chemicals	TMI	DOT111A- 100W-6	Sharon, PA	26	HPCX20700 20725	\$77,000	\$2,002,000	August through Sep- tember 1975, at Sharon, PA

* Base Price subject to increase or decrease as set forth in Article 4 of the Conditional Sale Agreement to which this Annex B is attached.